UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

1a. Type of Work DEEPEN DEEPEN Type of Well GAS Coperator MERIDIAN OLL MS24 3. Address & Phone No. of Operator PO Box 4289, Farmington, NM 87499 (505) 326-9700 4. Location of Well 1860' FSL, 1110' FWL Latitude 36° 50.3, Longitude 107° 56.8 Distance in Miles from Nearest Town 2.5 miles from Aztec, NM Distance from Proposed Location to Nearest Property or Lease Line 1110' 15. Distance from Proposed Location to Nearest Well, Drig, Compl., or Applied for on this Lease 350' This company of the Actes of		APPLICAT	ION FOR PERMIT TO DRILL, DEEPEN	, OR PLUG BACK		
2. Operator MERIDIAN OL //52/ 3. Address & Phone No. of Operator PO Box 4289, Farmington, NM 87499 (505) 326-9700 4. Location of Well 1060' FSL, 1110' FWL 115 Sec., Twn, Rge, Mer. (IMPM) Latitude 36° 50.3, Longitude 107° 56.8 11. Sec., Twn, Rge, Mer. (IMPM) Latitude 36° 50.3, Longitude 107° 56.8 12. County 2.5 miles from Nearest Town 2.5 miles from Proposed Location to Nearest Property or Lease Line 1110' 16. Acres in Lease 17. Acres Assigned to Well 320-W/2; 160 SW/4 320	(DEEPEN Type of Well		5. Lease Number SF-078198 Unit Reporting Number		
3. Address & Phone No. of Operator PO Box 4289, Farmington, NM 87499 (505) 326-9700 4. Location of Well 1660'FSL, 1110'FWL Latitude 36° 50.3, Longitude 107° 56.8 11. Sec. 1, Th. 30-N, R-11-W API # 30-045-24871 14. Distance in Miles from Nearest Town 2.5 miles from Aztec, NM 15. Distance from Proposed Location to Nearest Property or Lease Line 1110' 16. Acres in Lease 17. Acres Assigned to Well 320-W/2; 160 SW/4 350' This form 1 and 32 CM 5185.3 19. Proposed Depth procedure and 32 CM 5185.3 20. Rotary or Cable Tools Rotary 21. Elevations (DF, FT, GR, Etc.) 22. Approx. Date Work will Start 5925' GR 23. Proposed Casing and Cementing Program See Operations Plan attached Latitude 36° 50.3, Longitude 107° 56.8 Approval DATE Approval DATE	2.	Operator MERIDIAN OIL		7. Unit Agreement Name		
1860'FSL, 1110'FWL Latitude 36° 50.3, Longitude 107° 56.8 Latitude 36° 50.3, Longitude 107° 56.8 11. Sec., Twn, Rge, Mer. (MMPM) Sec 1, T-30-N, R-11-W API # 30-045-24871 14. Distance in Miles from Nearest Town 2.5 miles from Aztec, NM 15. Distance from Proposed Location to Nearest Property or Lease Line 1110' 16. Acres in Lease 17. Acres Assigned to Well 320 W/2; 160 SW/4 31. 20 18. Distance from Proposed Location to Nearest Well, Drlg, Compl, or Applied for on this Lease 350' This colors and appearance and CFR 3135.3 20. Rotary or Cable Tools 7300' 21. Elevations (DF, FT, GR, Etc.) 22. Approx. Date Work will Start 5925' GR 23. Proposed Casing and Cementing Program See Operations Plan attached Permit NO. APPROVAL DATE PERMIT NO. APPROVAL DATE	3.	Address & Phone No. of O PO Box 4289, Farm		7366 Nye 9. Well Number		
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23. Proposed Casing and Cementing Program See Operations Plan attached 24. Authorized by: Regulatory/Compliance Administrator APPROVAL DATE 2nd quarter 1996 2nd quarter 1996 2nd quarter 1996 2nd quarter 1996 APPROVAL DATE		350' This Proposed Depth process	00%	20. Rotary or Cable Tools		
See Operations Plan attached 24. Authorized by: Regulatory/Compliance Administrator APPROVAL DATE BRANC COLOR OF A RACCE AS SUBSECTION OF	21.		c.)			
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APPROVED BY TITLE DATE	PERMIT	г NO.	APPROVAL DA	TE		
	APPRO	VED BY	TITLE	DATE		

Archaeological Report submitted by Cultural Resources Management for original Gallup well

MARKEY

APPROVED AS AMENDED

NOTE: This format is issued in lieu of U.S. BLM Form 3160-3

Hold C-104 FOR NISLE

JUN 17 1996
DISTRICT MANAGER

District (PO Box 1988, Hubbs, NM \$8241-1988 PO Drawer DD. Artenia, NM 88211-0719 District III

State of New Mexico

Form C-10 Revised February 21, 199 Instructions on bac

OIL CONSERVATION DIVISION PO Box 2088

Submit to Appropriate District Offic State Lease - 4 Copie

1000 Rio Brazos Rd., Aztec, NM 87410 Santa Fe, NM 87504-2088 Fee Lease - 3 Copic District IV PO Box 2088, Santa Fe, NM 87504-2088 __ AMENDED REPOR WELL LOCATION AND ACREAGE DEDICATION PLAT API Number 1 Pool Code 30-045-24871 73700/71599 Calloway Gallup/Basin Dakota Property Code ' Property Name Well Number 7366 Nye 17 'OGRID No. 1 Operator Name Elevation 14538 MERIDIAN OIL INC. 59251 Surface Location UL or lot no. Section Township Range Lot Ida Feet from the North/South line Feet from the East/West time County 30 N L 1 11 W 1860 South 1110 West S.J. 11 Bottom Hole Location If Different From Surface UL or lot so. Section Township Range Lot Ida Feet from the North/South line Feet from the East/West line County 12 Dedicated Acres 12 Joint or Infill | 14 Consolidation Code | 15 Order No. 160-W/322**|.**20 NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION OPERATOR CERTIFICATION Not resurveyed, prepare& I hereby certify that the information conta from a plat dated 12-30 💥 0 true and complete to the best of my knowledge and belief by Fred B. Kerr, Jr. tad huld Signature Peggy Bradfield Printed Name Regulatory Administrator Date 18 SURVEYOR CERTIFICATION DINTE 3 I hereby certify that the well location shown on this was piotted from field notes of actual surveys m 1110 or under my supervision, and that the same is true and correct to the best of my belief.

April 12, 1996 Page 1

OPERATIONS PLAN

Well Name: Nye #17

1860'FSL, 1110'FWL Section 1, T-30-N, R-11-W Location:

San Juan County, NM

Latitude 36° 50.3, Longitude 107° 56.8

Formation: Basin Dakota

5925'GL Elevation:

			
Formation Tops:	Top	Bottom 1092'	Contents
Surface	San Jose		aquifer
Ojo Alamo	1092'	2120'	-
Fruitland	2120'	2475 '	gas
Pictured Cliffs	2475'	3551 '	gas
	3551'	4098'	gas
Otero Chacra	•	4688'	gas
Massive Cliff House	4098'		
Point Lookout	4688'	6019'	-
Gallup	6019 '	6768 ′	gas
Greenhorn	67681	6817 '	
	6817'	6950'	
Graneros	-	0550	qas
Dakota	6950'		945
Total Depth	7300'		

NOTE: This well was drilled and completed in 1981 as a Gallup with a total depth of 7126'. The well will be drilled to a new total depth of 7300' and completed in the Dakota. The Gallup will be plugged and abandoned.

It is intended to plug and abandon the Gallup formation, sidetrack and complete the Dakota formation. A cement retainer will be set at 6100' above the Gallup perforations. The perforations will be squeezed with Class "B" cement. A whipstock will be set in the 5 1/2" casing at 5900'. A 4 3/4" hole will be drilled to a new total depth of 7300'. 3 1/2", 9.3#, K-55 liner will be run in the well from 5900-7300'. The liner will be cemented with 115 sx Class "B" 50/50 Poz with 0.3% Halad-344, 0.25 pps celloflake. The Dakota formation will be selectively perforated and fracture treated. A string of tubing will be run in the well, and the well returned to production.

Casing Program:

ing Program:	,	a - a:	Wt.	Grade
Hole Size	Depth Interval	<u>Csg.Size</u>	<u></u>	
4 3/4"	5800' - 7300'	3 1/2"	9.3#	K-55
1 0/ 1				

Tubing Program:

tubing 0' - 7300' 2 3/8"

General -

- Pipe rams will be actuated once each day and blind rams will be actuated once each trip to test proper functioning.
- An upper kelly cock valve with handle available and drill string valves to fit each drill string will be available on the rig floors at all times.
- BOP pit level drill will be conducted weekly for each drilling crew.
- All BOP tests and drills will be recorded in daily drilling reports.
- Blind and pipe rams will be equipped with extension hand wheels.

